

# Commerce Between Northeastern Ports and the Confederacy, 1861-1865

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THE coming of the Civil War modified but by no means destroyed commerce between northeastern ports and the southern coast. On June 8, 1863, Confederate war department clerk, J. B. Jones, noted in his famous diary that "the arrivals and departures of steamers amount to one per day and most of the goods imported are of Yankee manufacture." In time of peace the trade fell into two main divisions: the southern leg of the "cotton triangle," involving the shipment of merchandise from the North to ports from Charleston to New Orleans and the return of cotton cargoes, either to New York or directly to Europe; and secondly, the coasting trade with North Carolina and the Chesapeake Bay country which carried back tobacco and naval stores. These staples, cotton, tobacco, and naval stores, were indispensable in providing eastbound cargoes for northern vessels. In both branches of the trade New York was preeminent.<sup>1</sup>

President Abraham Lincoln's proclamation in April 1861 of a blockade of southern ports had a distinct effect on trade patterns. Direct trade with the South carried with it the risk of interception by the navy and condemnation of vessel and cargo. This difficulty was relieved partially as the war progressed when the blockade was lifted from some of the ports occupied by Union forces. Even then there were restrictions on the kinds of goods that could be taken in. Furthermore, during most of the war Confederate law prohibited the export of southern staples through ports held by the enemy.<sup>2</sup>

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<sup>1</sup> Howard Swigget, ed., *A Rebel War Clerk's Diary. . . . by J. B. Jones* (2 vols., New York, 1935), I, 343; Robert G. Albion, *The Rise of the Port of New York, 1815-1860* (New York, 1939), 95-121, 134-42.

<sup>2</sup> Roy P. Basler, ed., *The Collected Works of Abraham Lincoln* (8 vols., New Brunswick, N.J., 1953-1955), IV, 338-39, 346-47; V, 210-11; *The War of the Rebellion: A Compilation of the Official Records of the Union and Confederate Armies* (130 vols., Washington, 1880-1901), Series IV, Vol. I, 1071.

The high prices southerners were willing to pay for almost every kind of supplies led northern traders to exercise a high degree of ingenuity in circumventing these obstacles. A great deal of trade formerly direct in nature was diverted to foreign ports: Bermuda, Nassau, Havana, Halifax, and Matamoros. There supplies from the North were transshipped (or in the case of Matamoros, carried overland) to blockade runners and taken into southern ports. Direct trade with the Chesapeake Bay and North Carolina Sounds continued to be the rule, and there seems to have been some direct trade with Wilmington, which was heavily blockaded.

Union authorities were, of course, aware that the Confederacy was being supplied from the North via neutral ports. On May 2, 1861, Secretary of the Treasury Salmon P. Chase directed customs officials to stop the export of any cargoes ultimately destined for rebellious states. On July 13 Congress empowered the President, through the treasury department, to license trade with states declared to be in insurrection. Licenses to trade with blockaded ports could not be issued without vitiating the blockade under international law. Therefore, of necessity, the licensing power could properly be exercised only with respect to overland trade. On May 20, 1862, Congress authorized the secretary of the treasury to do what he already had done a year earlier: refuse clearance to vessels with cargoes ultimately destined for the Confederacy. Where clearances were granted, the collector of the port could exact from the master or owner a bond equal to the value of the cargo as a guarantee that it would be delivered to the destination for which it was cleared and that none of it would be used to aid the Confederacy. Three days later Secretary Chase issued appropriate regulations to collectors of the Atlantic ports.<sup>3</sup>

On paper the system seemed stringent and comprehensive; in practice it proved hopelessly ineffective. Most illicit trade undoubtedly originated at New York, and the procedures followed at the customhouse there graphically illustrate the methods of evasion used. Official routine required a merchant desiring to clear a cargo from New York first to go to the deputy collector of the fourth division. He examined the shipper's manifest, afterwards comparing it with the ship's manifest and taking into account any information received from customhouse aids, who supposedly observed cargoes being loaded. If the deputy collector felt that there was some danger

<sup>3</sup> *House Reports*, 37 Cong., 3 Sess., "Report of the Committee on the Conduct of the War," Part III, 561, 565-69, 594; *House Executive Doc.*, 38 Cong., 2 Sess., No. 3 (Serial 1222), 337-38. On Jan. 3, 1864, Salmon P. Chase made the "singular" request of the secretary of the navy that vessels with customhouse clearance be allowed to pass the blockade. Howard K. Beale, ed., *The Diary of Gideon Welles* (3 vols., New York, 1960), I, 217.

that the cargo might eventually go to the Confederacy, he was supposed to require a bond. The taking and cancellation of bonds were handled by the ninth division, whose deputy collector was responsible for seeing that the bonds were equal to the value of the cargo and were protected by adequate security. When this had been done, the vessel could clear for, as an example, Nassau. The United States consul at Nassau was charged with seeing that the cargo was landed and was to satisfy himself that it was not going on to the Confederacy. Having done this, he would certify to that fact, send his certificate to the New York Custom House, and the bond would then be cancelled.<sup>4</sup>

One of the most direct ways for the shipper to cut through this irksome red tape was simply to buy back his bond from the ninth division of the customhouse. This was a practice in vogue during the incumbency of Henry B. Stanton, the noted abolitionist and husband of feminist Elizabeth Cady Stanton. Stanton employed his son, D. Cady Stanton, as a clerk in his division, and it was the younger Stanton who, by his own admission, abstracted and sold bonds back to the shippers for twenty-five dollars each. On one occasion arrangements for cancelling a bond for \$64,000 were made even before the bond was executed. The price was \$600, most of which went to a customhouse "broker"—"fixer" in modern parlance—with a nominal fee to Cady Stanton. The cargo, in this particular instance consigned to a Confederate commercial agent in Bermuda, consisted of a large quantity of salt meat, the staple ration in the Confederate army. Both young Stanton and the broker swore that Henry Stanton was not privy to the transactions; the evidence was inconclusive, but both Stantons were separated from the customhouse when the frauds were discovered. All bonds should have passed over Henry Stanton's desk, and he was responsible for making certain that they were in proper order and contained adequate security. In his absence this was sometimes done by a debenture clerk who also acted as both obligor and surety for such bonds. In at least one instance this clerk processed a bond covering a shipment ordered by Major Norman S. Walker, the Confederate commercial agent at St. George's, Bermuda, who regularly bought supplies in New York.<sup>5</sup>

<sup>4</sup> *House Reports*, 38 Cong., 1 Sess., No. 111 (Serial 1206), 18, 37-40.

<sup>5</sup> *Ibid.*, 2-7. On June 17, 1863, the American consul at St. George's, Bermuda, wrote to the secretary of state: "I beg to apprise you that large quantities of mdse are shipped from N. Yk to these islds and here transshipped o/board steamers for blockaded ports. There is no doubt that Major Walker who styles himself Confederate States Agent, is receiving goods ex N. Yk by almost every vessel under various marks. A large proportion of the goods shipped from here to Wilmington are from N. Yk." "American Consular Records-Civil War Period," Part I, *Bermuda Historical Quarterly*, XVIII (Summer 1961), 66. Henry B. Stanton's *Random Recollections* (New York, 1887) were sufficiently random to omit any

Should the dealer in contraband not want to go to the trouble and expense of buying back his bond, he could ship his cargo to Nassau, deliver it to a middleman for transshipment to a blockade runner, and the middleman would assure the United States consul that the goods were for local consumption. The consul would then issue the certificate for the cancellation of the bond. Since such transshipments took place literally under the nose of the consul, he was suspect because of the possibility of collusion. Commander William A. Parker of the U.S.S. *Cambridge* suggested "the propriety of our Government investigating the conduct of our consul, Mr. [Samuel] Whiting, at Nassau. The schooner which the *Mount Vernon* seized . . . had consular signatures upon her papers. . . . From the character of her cargo, as well as the fact that her master has once before been taken by one of our blockading vessels, our consul at Nassau could not be deceived as to her probable destination." The prize in question, the schooner *Levi Rowe*, was cleared for Union-occupied Beaufort with a cargo of salt. Worthless in Beaufort, salt brought \$150 a sack at Wilmington, the schooner's obvious goal when it was intercepted. Or perhaps it was just that Whiting was prone to go on roaring drunks, carouse with sailors, and generally act like a "madman." Who knows what he may have signed the morning after? It was also possible to make use of forged certificates, or merely the oath of the shipper or master, to cancel bonds.<sup>6</sup>

There were ways to avoid giving bonds altogether. One was to ship from Baltimore or Philadelphia where, for some reason, bonds were not demanded. This became a popular practice not long after bonds began to be required at New York. Another simple expedient was to clear for one of the Outer Bahamas, where there was no consul, break bulk, then ship to Nassau. Thus, the cargo would arrive at Nassau from a British port and could be sent elsewhere without interference from the American consul. Concealment of cargo seems to have been a favorite device. Trunks full of munitions were taken on board at New York as private luggage. Telegraph wire was hidden in bales of hay. Cannon were shipped in boxes marked "hardware." Cavalry sabres were wrapped in bundles of blankets. It seems incredible that American consuls could have believed that such large quan-

reference to his customhouse career. He apparently owed his appointment to Roscoe Conkling. Basler, *Collected Works of Lincoln*, IV, 307.

<sup>6</sup>*House Reports*, 38 Cong., 1 Sess., No. 111, pp. 4, 57-58, 60, 254; Hiram Barney to Chase, Feb. 26, 1862 (encl. Thomas Ellis to Barney, Dec. 21, 1861), and N. K. Hall to F. W. Seward, March 24, 1863, Despatches from U. S. Consul in Nassau, New Providence Island (Microfilm Roll 10), Vol. 11, Jan. 3, 1861-Jan. 31, 1862, Record Group 59 (National Archives); *Official Records of the Union and Confederate Navies in The War of the Rebellion* (30 vols., Washington, 1894-1927), Series I, Vol. VIII, 242-43, 255.

tities of blankets entering these tropical ports could have been intended exclusively for local use.<sup>7</sup>

Finally, even when bonds were executed and the cargoes so bonded were later found on captured blockade runners, customs officials professed doubts as to whether they were legally entitled to look beyond the original consignee. Since the law requiring the bonds was based on precisely the opposite assumption, this attitude may have stemmed from other, and perhaps less disinterested, considerations. In any event, many of the bonds given were faulty—some lacked adequate security, others had none, many carried misspelled names—giving little hope to the government of receiving any return even if the bond should be declared forfeited by the courts. Another difficulty arose because many of the men most active in the New York trade claimed to be, and often were, British subjects. When the customhouse intervened to stop their activities on behalf of the Confederacy, they would complain to Lord Lyons, British minister at Washington, who would go to Secretary of State Seward, who would then retort upon the collector of the port.<sup>8</sup> American shippers sometimes resorted to bogus sales so as to secure the protection of British or other neutral registry.<sup>9</sup> Almost certainly the “flight from the flag” was prompted by a desire for immunity from American trade regulations as well as from the depredations of Confederate cruisers.

All this incompetence, corruption, and treason—there seems to be no other word—contributed to the doubling of New York’s trade with the British West Indies and Cuba. Weapons of all kinds, ammunition, railroad iron, telegraphic equipment, shoes, blankets, provisions, medicines, and even ships purchased for blockade running entered the Confederacy by this route. The men involved in the trade boasted that for a price they could get anything, even locomotives, out of New York. Trade with Matamoros also mushroomed. Before the war scarcely a ship a year cleared from New York to Matamoros, yet in less than three years from August 1861 to June 1864 there were 152 such clearances. On March 12, 1863, the Confederate commercial agent at Matamoros reported that eighty-two vessels were lying off the mouth of the Rio Grande, many of them from New York, Boston, and New Orleans. Without the food and munitions that came across the Rio

<sup>7</sup> Samuel Whiting to William H. Seward, Sept. 10, 1862, Consular Despatches, Nassau (Microfilm Roll 11), Vol. 12, Aug. 1, 1862-Dec. 31, 1863; *House Reports*, 38 Cong., 1 Sess., No. 111, pp. 7, 190, 128, 70; *Senate Executive Doc.*, 41 Cong., 3 Sess., No. 10 (Serial 1440), 21.

<sup>8</sup> *House Reports*, 38 Cong., 1 Sess., No. 111, pp. 2, 194, 196-97, 278-84. Orders to cancel bonds sometimes came directly from Chase.

<sup>9</sup> *Senate Executive Doc.*, 41 Cong., 3 Sess., No. 10, pp. 10, 14, 21, 24.

Grande, the Confederate Trans-Mississippi Department probably could not have maintained an army in the field.<sup>10</sup>

Direct voyages to the Confederacy, as opposed to the trade via neutral ports, most frequently were made to Virginia and the North Carolina Sounds, although they were by no means unknown elsewhere. Not long after his great victory at Mobile Bay, Admiral David G. Farragut told the navy department that he had "never approved of taking Mobile City unless we had an overwhelming force to hold it, as the whole of Rebeldom would be supplied through it by our own people."<sup>11</sup> And indeed, it appears that it was possible for traders to buy their way through Farragut's blockaders,<sup>12</sup> presumably by submitting to judicious "captures" of cotton that could then be claimed as prize of war. Military forces occupying a post such as Port Royal, South Carolina, likewise appear to have been susceptible to pecuniary inducements.<sup>13</sup> A young Confederate soldier passing through Wilmington in 1863 was told by local merchants that some vessels came in through the blockade direct from New York, while others came by way of Nassau.<sup>14</sup>

In the Chesapeake Bay trade, masters cleared their vessels from New York, Philadelphia, or Baltimore to Washington or Alexandria, but stopped en route to discharge cargo in tidewater Virginia at Aquia and Potomac creeks (near the northern terminus of the Richmond, Fredericksburg, and Potomac Railroad) and at various places in Northumberland, Lancaster, and Middlesex counties; frequently, they received in exchange tobacco that had been brought overland from Richmond.<sup>15</sup> The volume of this trade, however, seems to have been exceeded greatly by that which went down the Chesapeake to Norfolk, through the Dismal Swamp Canal to Albemarle Sound, often with the connivance of treasury officials and army officers, and from there up the Chowan and other rivers into Virginia,

<sup>10</sup> Samuel Bernard Thompson, *Confederate Purchasing Operations Abroad* (Chapel Hill, 1935), 116-17, 125-26; *House Reports*, 38 Cong., 1 Sess., No. 111, pp. 7-8, 256-57; Robert Fitzpatrick to Judah P. Benjamin, March 12, 1863, Container 8, Folder 50, Confederate Manuscripts, John T. Pickett Papers (Manuscript Division, Library of Congress).

<sup>11</sup> Robert Means Thompson and Richard Wainwright, eds., *Confidential Correspondence of Gustavus Vasa Fox, Assistant Secretary of the Navy, 1861-1865* (2 vols., New York, 1918-1919), I, 349.

<sup>12</sup> D. H. Maury to J. A. Seddon, Nov. 21, 1864, War Department, Telegrams Received, Feb. 1861-April 1865, No. 3758, War Department Collection of Confederate Records, Record Group 109 (National Archives).

<sup>13</sup> See note 17.

<sup>14</sup> Betsy Fleet and John D. P. Fuller, eds., *Green Mount . . . the Journal of Benjamin Robert Fleet and Letters of His Family* (Lexington, 1962), 270.

<sup>15</sup> See Files 494b, 1039, 1764, 3842, Turner-Baker Papers, Office of the Provost Marshal, Record Group 94 (National Archives)

where the supplies (usually salt pork) were delivered to Confederate army officers in exchange for cotton.<sup>16</sup>

Although undoubtedly a rather small fraction of the total instances of illegal commerce between northern ports and the Confederacy was discovered by Union authorities, the records of these cases offer some rather detailed information about the contrabandists' *modus operandi*. In June 1863 L. J. Shearman, an investigator employed by the United States District Attorney for Eastern Pennsylvania, was called to New York to expose men suspected of sending supplies to the Confederacy. Representing himself as John Dawson of Wilmington, North Carolina, Shearman first contacted Charles Van Zandt, a wine and liquor merchant on Broadway. Shearman told Van Zandt that he was trying to find a commercial agent of the Confederacy named John Moore for the purpose of running goods into Virginia. Van Zandt accepted Shearman at face value, drank toasts to the health of Jefferson Davis and General Robert E. Lee, and said that he himself dealt with Moore and was about to begin operations at New Bern, North Carolina. He planned to send the schooner *Niagara* to Hilton Head and Beaufort, South Carolina, with a cargo that would be used, for the most part, to bribe officers on that station. He arranged with "Dawson" to receive merchandise at Wilmington.

Van Zandt then took Shearman to see Moore in Brooklyn. Moore was rather suspicious, but after some hesitation he admitted that he was a blockade runner and had recently arranged with President Davis to ship supplies to the South. Shearman also met Captain John Benedict, who had bought the schooner *Ladies' Delight*, a vessel recently captured by the Union navy on the Rappahannock, condemned, and sold. It was a fairly common practice for blockade runners to purchase vessels and cargoes seized as prize and put them promptly back into the trade. Benedict planned to carry Moore's cargo; but if for some reason Moore's shipment was not available, the captain intended to load his craft with Union army supplies and run into Confederate lines in Virginia, where the ship could be outfitted as a privateer. Benedict generously offered to include Shearman in his adventure.

About two weeks later Moore, Benedict, and a man named John O'Neal were arrested in Philadelphia. For some reason Van Zandt was not apprehended. The *Niagara* and the *Ladies' Delight* were seized. The vessels and their cargoes were libelled and eventually turned over to the federal gov-

<sup>16</sup> For a more detailed description of the trade through Norfolk, see Ludwell H. Johnson, "Contraband Trade during the Last Year of the Civil War," *Mississippi Valley Historical Review*, XLIX (March 1963), 641-52.

ernment. Shearman and his brother, also a detective, urged Judge Advocate Levi C. Turner to have the trial transferred to Washington because if it were held in Philadelphia or New York there would be little chance of a conviction. "We have all the evidence that is necessary but there is so much money in the case and so many parties implicated that we are afraid we cannot succeed. . . ." District Attorney G. A. Coffey told Turner that the three men should be delivered to a court-martial for "they all deserve to die as traitors. . . . These men deserve no mercy. They are scoundrelly traitors." Yet, as so often happened in cases of this sort, they apparently escaped punishment. O'Neal's case is especially puzzling. He was well known in Philadelphia as a contrabandist. The city's chief of detectives, Benjamin Franklin, had secured an order for his imprisonment in 1862, only to see it countermanded by Assistant Secretary of War Thomas A. Scott. Now, a year later, O'Neal procured not only his release but also the permission of Secretary of War Edwin M. Stanton to go to Richmond on parole and exchange himself for a Union noncombatant.<sup>17</sup>

An even more frustrating episode for Union authorities in Philadelphia—and especially for Franklin, who was a beacon of zeal amidst the gloom of corruption and favoritism—took place about the time the Shearmans were at work. In the spring of 1863 David Risley, self-styled Unionist from Georgetown, South Carolina, joined forces with Baltimore merchant Samuel G. Miles, known to his envious fellow townsmen as "a prince of contraband traders"—a title that was only slightly hyperbolic. Miles bought the schooner *Secretary* and in partnership with Risley spent \$13,000 on a cargo in Philadelphia. At least part of the cargo came from a large blockade runner, *Princess Royal*, captured while trying to run into Charleston and sent to Philadelphia as prize of war. According to the navy's report, the vessel carried rifled cannon, small arms, ammunition, and "assorted cargo."

The reputations of the two men, together with the suspicious nature of the cargo, led to their arrest late in April by order of Provost Marshal Turner. They were taken before the United States District Court at Philadelphia but were released because the marshals had acted before their case was perfected. Risley promptly set sail for Murrell's Inlet,<sup>18</sup> South Caro-

<sup>17</sup> Affidavit of L. J. Shearman [July 1863]; L. J. and W. H. Shearman to Levi C. Turner, July 13, 30, 1863; Benjamin Franklin to Turner, July 14, 17, 1863; G. A. Coffey to Turner, July 22, Dec. 9, 1863; Coffey to Edwin M. Stanton, July 13, 1863; John L. O'Neal to Stanton, Jan. 13, 25, March 1, 1864; endorsement by Turner, March 5, 1864, File 927, Turner-Baker Papers; *Official Records* (Navies), Series I, Vol. V, 268-70. The latter source implies but does not actually say that the *Ladies' Delight* was condemned as prize.

<sup>18</sup> This appears as "Mar's Inlet" in Naylor's affidavit (cited below), an obvious error in transcription.



lina, near his hometown of Georgetown, but was turned back by the U.S.S. *Flambeau*. He decided to try again. Late in May he hired Benjamin B. Naylor, former coast pilot in the navy, as master of the *Secretary*. The schooner was cleared for Port Royal, which was in Union hands, and Risley offered Naylor \$500 if he would run into any Confederate port. The U.S.S. *De Soto* thwarted Risley's attempt to run into Wilmington but allowed the schooner to continue to Port Royal. The provost marshal detained the vessel in Port Royal for about a day because of its suspicious cargo. Released, this time the *Secretary* cleared for New Orleans but went instead to Nassau. A part of the cargo was delivered to Saunders and Son, a firm well known for handling Confederate shipments, and sent to Charleston on the blockade runner *Lizzie*. The *Secretary*, painted black and loaded with salt, flour, pork, and lard, left Nassau, undoubtedly for a Confederate port. So far as is known, neither Miles nor Risley was ever brought to account. As for Naylor, he returned to the navy as a pilot and was lost when the U.S.S. *Patapsco* was sunk by a torpedo in Charleston Harbor toward the end of the war.<sup>19</sup>

The final example of intrigue illustrates especially well the legal and political obstacles that so often allowed contrabandists to escape unpunished. In the fall of 1863 James L. McPhail, the war department's provost marshal at Baltimore, became suspicious of Isaac Oliver, captain of the schooner *R. W. Fowler*, and of a local merchant named A. Stowell. McPhail had stopped the *R. W. Fowler* in Chesapeake Bay the previous spring to examine its cargo. "I found it all manifested properly," he reported to Judge Advocate Turner, "but the cargo [Oliver was taking] to New York was like sending coals to New Castle. I had to let her go. The [captain's] plan has been to meet lighters in coming up our Bay, and del[iver] her cargo intended for Dixie, and then go on . . . to [the] port manifested to." Stowell was heard to boast that this system was foolproof.<sup>20</sup>

But McPhail, a dogged, single-minded officer, laid a trap for Stowell. In

<sup>19</sup> Franklin to Turner, April 7, 1863; Turner to Franklin, April 23, 1863; Franklin to Turner, April 24 (two of this date), 25, 1863; Franklin to James L. McPhail, April 25, 1863; affidavit by Benjamin B. Naylor, Aug. 17, 1863; memorandum book dated Aug. 17, 1863; Coffey to Turner, Aug. 31, 1863, File 904, Turner-Baker Papers; *Official Records* (Navies), Series I, Vol. VI, 82, 117, 447; Vol. VII, 373; Vol. IX, 65, 250; Vol. XIII, 338, 551-56; Vol. XVI, 179; *House Reports*, 38 Cong., 2 Sess., No. 24, pp. 43-44. Miles continued as a contrabandist; it is assumed that he escaped punishment. The general tenor of the correspondence cited and a letter show that Risley was at large in Philadelphia later in the war. See David Risley to H. A. Risley, March 19, 1865, Seventh Special Agency Papers, Numbered File, Treasury Department, Record Group 56 (National Archives). For the importance of Saunders and Son in the Confederate trade, see Thomas Kirkpatrick to W. H. Seward, Nov. 9, 1864, Consular Despatches, Nassau (Microfilm Roll 12), Vol. XIII, Jan. 29, 1864-Dec. 31, 1866 (National Archives). Saunders himself was in Philadelphia in July 1863.

<sup>20</sup> McPhail to Turner, Sept. 23, 1863, File 3048, Turner-Baker Papers.

September he directed E. H. Smith,<sup>21</sup> one of his detectives, to pose as a blockade runner and buy contraband goods from Stowell. The latter, completely taken in, sold the merchandise, talked about the large quantity of goods he always stocked for that purpose, and said that he conducted a regular correspondence with persons in the Confederacy and in Nassau. He explained how this shipment was to be packed in flour barrels with false bottoms.

Having made his purchase, Smith said he did not know how he could deliver it to the South. Thereupon, Stowell furnished him with letters of introduction to Captain Oliver, to John McKee, Oliver's shipping agent in New York, and also to Philip W. Groet. Groet was an agent for Edwin Gomez of New York, manufacturer of an "electric train fuse" for detonating naval torpedoes (mines). Stowell gave a small piece of the fuse to Smith as "a sign of [his] being of the right stamp." The detective then reported to McPhail, who was more than satisfied. "I have no doubt," he said, "that the trade about [to be] discovered, will be a bomb shell in the midst of the New York rebels, and a starter to those in Baltimore."<sup>22</sup>

Smith went to New York in the latter part of October and there engaged Oliver to carry his goods into the Confederacy. The captain suggested that they be landed in Virginia on the western shore of Chesapeake Bay, where he had often delivered goods for other traders. Smith also made a down payment to Groet for from 25,000 to 30,000 feet of the Gomez fuse. Groet gave Smith letters of introduction to President Davis, Secretary of the Navy Stephen R. Mallory, and Lieutenant Robert D. Minor, who was in charge of the naval ordnance works at Richmond. Groet remarked that he had taken contraband to Richmond the previous winter and had talked personally to these gentlemen.

Smith returned to Baltimore and arranged for the shipment of the goods purchased from Stowell. He then went back to New York. On this occasion he met Gomez and negotiated the purchase of his entire establishment for a price of \$225,000. Gomez agreed to go south and set up the machinery in working order.<sup>23</sup>

This promising venture was never completed. On October 20 McPhail arrested Stowell and took possession of his store. The detective found assorted contraband of war, including some of the Gomez fuse concealed

<sup>21</sup> E. H. Smith used the name J. J. Reynolds. So many pseudonyms were used that it is difficult to know just how many investigators were involved, but there is no doubt that the investigation was almost entirely the work of Smith.

<sup>22</sup> McPhail to Turner, Sept. 23, 1863; Reynolds to Turner, Oct. 30, 1863; Joseph Holt to Stanton, Nov. 5, 1863, File 3048, Turner-Baker Papers.

<sup>23</sup> Reynolds to Turner, Oct. 30, 1863, *ibid.*; *Official Records* (Navies), Series II, Vol. II, 548, 757.

under a tabletop, a considerable sum of Confederate money, and treasonable correspondence. A few days after receiving the report of this raid, Turner directed the United States marshal's office in New York to arrest Gomez, Groet, Oliver, and McKee. The men, together with Stowell, were confined at Fort Lafayette.

When taken into custody Gomez and Groet had in their possession 12,000 feet of fuse which they had made for the Confederacy. Many letters from Baltimore and Nassau were found in McKee's office, fully revealing "the true character of the man, and the extent of his operations."<sup>24</sup>

On November 5 Judge Advocate General Joseph Holt informed Secretary of War Stanton of these events and suggested that the available evidence warranted the prosecution of Gomez, Groet, and Stowell under statutes that prohibited corresponding with or giving aid and comfort to the enemy. As for Oliver and McKee, Holt was of the opinion that their admissions were "not expressed with sufficient detail to ground a formal prosecution." In fact, he felt that in some respects the case had been damaged by incomplete investigation and premature arrests. He especially regretted the paucity of evidence in the case of McKee. The letters found in his office were all addressed to him; but none was signed by him. "That he [McKee] has been engaged in extensive business transactions of a treasonable character; and has been in constant communication with the enemies of the Government, both within and without the United States; in fact that he is himself a most dangerous secret enemy—is but too evident from the many letters discovered in his office at the time of his arrest."<sup>25</sup>

Early in 1864 the prisoners were examined by a military commission. With the approval of Major General John A. Dix, commanding the Department of the East, it decided that since the accused were civilians and since New York was not under martial law, the commission had no right to try them. The contrabandists, together with the evidence, were turned over for prosecution to E. Delafield Smith, United States District Attorney for the Southern District of New York, with the comment from Dix that the case against McKee, Gomez, and Groet was "ample to convict" and that "Gomez convicts himself." The case against Gomez was considered to be the strongest, but an examination before a United States commissioner resulted in the dismissal of the complaint against him.<sup>26</sup> The district attor-

<sup>24</sup> Unfortunately, John McKee's crucially important correspondence has vanished. McPhail to Turner, Oct. 23, 1863; Turner to McPhail, Oct. 26, 1863; Robert Murray to Turner, Oct. 29, 1863; Turner to Stanton, Oct. 31, 1863; Holt to Stanton, Nov. 5, 1863, File 3048, Turner-Baker Papers.

<sup>25</sup> Holt to Stanton, Nov. 5, 1863, *ibid.*

<sup>26</sup> Isaac Oliver and McKee were discharged on May 10, 1864, Edwin Gomez on June 8, 1864. *New York Times*, May 11, June 9, 1864. No reference to Philip W. Groet's fate has

ney then sent the evidence to Dix, who returned it to Detective Smith. But when Smith examined the papers, he found that the McKee letters were missing. Upon complaining to Dix, Smith was told that if McKee's papers had been tampered with, "such mutilation must have occurred subsequent to their leaving these Head Quarters, they, while here, having been in the custody of Maj. Gen. Dix himself."<sup>27</sup>

Once again men actively aiding the Confederate cause were allowed to go scot-free. Judge Advocate Turner, seeing the work of his department go for naught again and again, was understandably bitter. To him it seemed that Dix's military commission, before which many men like Gomez appeared, surpassed the limits of law and reason to find causes for not punishing such public enemies when it contended that blockade running was not a punishable offense but could only entail forfeiture of ship and cargo, that blockade running was an offense against municipal law, and that a United States court had no jurisdiction over acts not committed within such limits, that blockade runners could be held until they reached shore and afterward only to give evidence in a prize court, and that except for spies only persons in the military or naval service of the United States could be tried by military courts, unless martial law was in effect. It appeared, lamented Turner, that of the nineteen blockade runners confined at Fort Lafayette in the spring of 1864, none, by these standards, could be tried anywhere, since they had committed their offenses in the insurgent states. And when the Dix commission did turn contrabandists over to the civil courts in New York, it was, Turner observed, "equivalent to a discharge."<sup>28</sup>

It is possible to assemble available data in a way that may account for the frustrations of which Turner complained. The prosperity of New York City was, to state the obvious, built upon commerce. Many men of great means and political influence were engaged in that commerce and were eager to see it flourish. To be successful in New York politics it was nec-

essary to be found, but the presumption is that he too was released, since there is no record of his having been tried.

<sup>27</sup> First Report of the Military Commission for the Examination of Prisoners in Forts Lafayette and Warren, Feb. 11, 1864, Part IV; Turner to Stanton, Jan. 28, 1864; John A. Bolles to E. D. Smith, March 18, 1864; E. D. Smith to Stanton, July 13, 1864; Charles G. Halpine to E. H. Smith, n.d., File 3048, Turner-Baker Papers. In 1867 Turner said that Gomez had been presented to a grand jury but that no indictment was found; see Turner to Stanton, July 13, 1867, *ibid.* The records of the District Court for Southern New York were transferred to the National Archives, but a search failed to uncover a reference to Gomez. Dix's opinion as to the commission's lack of jurisdiction over civilians agreed with the Supreme Court's decision in *Ex Parte Milligan*.

<sup>28</sup> Endorsement by Turner, June 6, 1864, *ibid.*; Turner to James A. Hardie, June 4, 1864, File 3842, *ibid.* Turner contended in the latter citation that many of those imprisoned at Fort Lafayette were not blockade runners within the definition of the laws of war but were foreign citizens employed by the Confederacy as commercial agents and spies.

essary to take these facts into account. Dix had long been prominent in the affairs of that state and had aspirations for the future; he was, in fact, later elected governor. While in command at Norfolk in 1862 and 1863, he had apparently allowed profit-seeking members of his staff and hangers-on about headquarters to use him to open a privileged trade to Norfolk—a blockaded port—that was beneficial to the Confederacy. These same influences may well have contributed to the lenient treatment meted out to contrabandists by the Dix commission at New York. As for District Attorney Smith, who displayed a similar broadmindedness, he was a cog in the Seward-Weed machine and a man whose professional ethics were impugned by a congressional committee as well as by Secretary of the Navy Gideon Welles.<sup>29</sup> Appraised from this point of view, it is perhaps not so surprising that the military commission turned its prisoners over to the civil authorities, alleging lack of jurisdiction; and E. Delafield Smith released them because of evidence which was called insufficient but which was apparently important enough to disappear without a trace.

Obviously, there was a steady coasting and high-seas trade between northern ports and the Confederacy. It was conducted by both foreigners and United States citizens, sometimes with the connivance of corrupt civil, military, and naval officials. American business firms which did not attempt to ship directly to the South often worked in close cooperation, if not in partnership, with companies in neutral ports where transshipment to blockade runners occurred. The work of these merchants was assisted by Confederate commercial agents in northern or foreign ports. Because of the clandestine nature of the trade, its volume cannot be ascertained precisely, but one cannot escape the conviction that the flow of goods into the South by this route was substantial enough to be of significant help to the Confederate cause.

The activities of these businessmen should not occasion any particular surprise. Trading with the enemy was an old American custom; merchants had dealt with the French during the colonial wars and with the British during the Revolution and the War of 1812. As it turned out, the Civil War was their last chance. With the advent of modern technology and total war, the contraband trade seems to have gone the way of many another venerable tradition.

<sup>29</sup> *House Reports*, 38 Cong., 2 Sess., No. 25, pp. 2, 7-8; Morgan Dix, comp., *Memoirs of John Adams Dix* (2 vols., New York, 1883), II, 48-50; Welles, *Diary*, I, 165-66, 172-75, 177-78, 183-84, 226-27, 231, 318, 373; II, 82-83; III, 443. Welles described (I, 166, 177) the men around Dix as "bloodsuckers," "scoundrels," and "rotten officers." He believed Dix to be personally honest. Basler, *Collected Works of Lincoln*, V, 495-96.